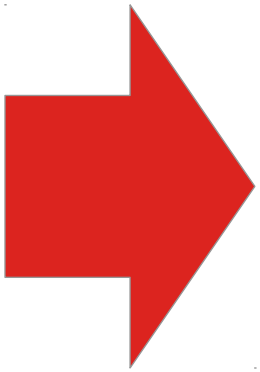
Controlled Spend Account

Background

Issue

- Travel Card Management tasks are Extensive and Costly
- Credit limits are estimates – not Mission Driven
- Not all Travelers have a GTC since it is based on Credit Worthiness and frequency of travel
- Merchant Category Code restrictions prevent use of the GTC for some PCS authorized expenses
- GTC is mandatory and requires use for all official travel expenses but only 50% of Air Force travel spending was charged to GTC by travelers (FY09 Travel Costs = $2.5B but GTC spend was only $1.3B)



Mission

Create a new travel card to facilitate a low maintenance but responsive tool for use by travelers that will:

- Meet all mission requirements
- Decrease workload on all functional areas
- Result in increased use by travelers

Cardholder Requirements

- Law and DoD regulations require use of the GTC (CSA) for all official travel expenses & reimbursement directly to Citi for all charges
  - Government travel is not intended as a method to generate income for the traveler, otherwise it would be taxable income. Travel payments are a reimbursement of expenses incurred (this includes per diem) by the traveler. Therefore:
    - Use of CSA for all official travel expenses:
      - Public Law 105-264 Travel and Transportation Reform Act of 1998
      - Joint Federal Travel Regulation Chap 2 Para U2015
      - DoD Financial Management Regulation Vol 9 Chap 3 Para 030301, 030501
    - Use of split disbursement directly to Citi for all charges:
      - Public Law 107-314 National Defense Authorization Act of 2003
      - DoD Financial Management Regulation Vol 9 Chap 3 Para 031004

Travel and Transportation Reform Act of 1998 excerpt

Public Law 105–264
105th Congress

An Act

To require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

Oct. 19, 1998
[H.R. 930]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Travel and Transportation Reform Act of 1998.
5 USC 5701 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Travel and Transportation Reform Act of 1998".

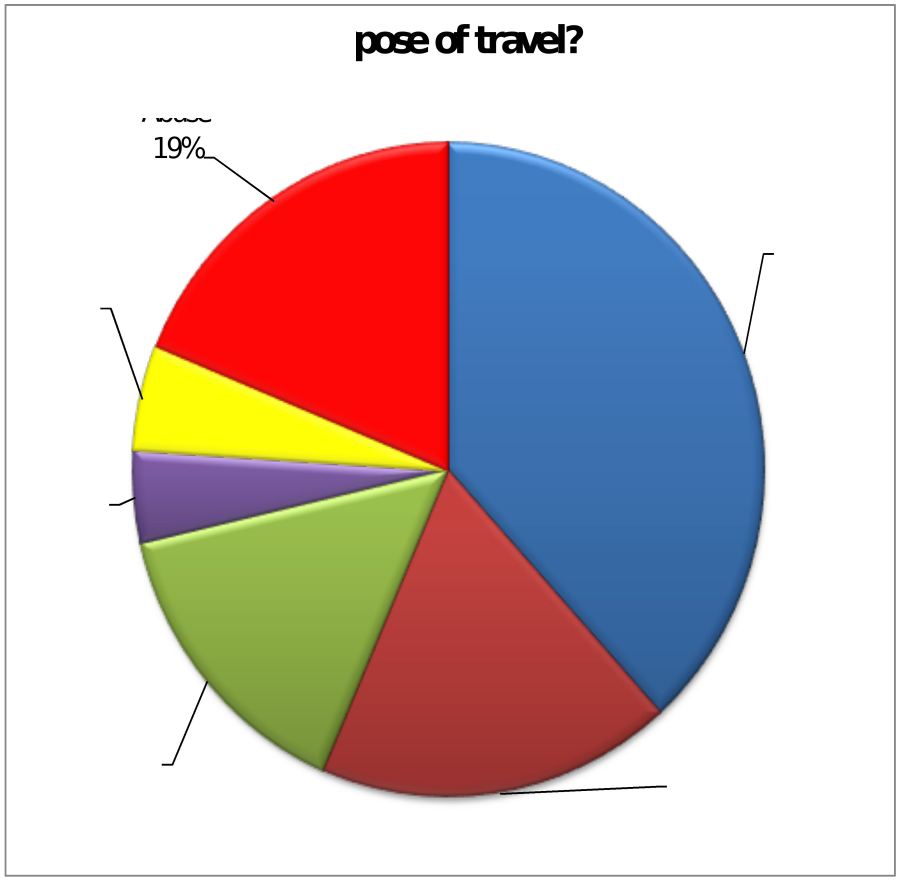
5 USC 5701 note.

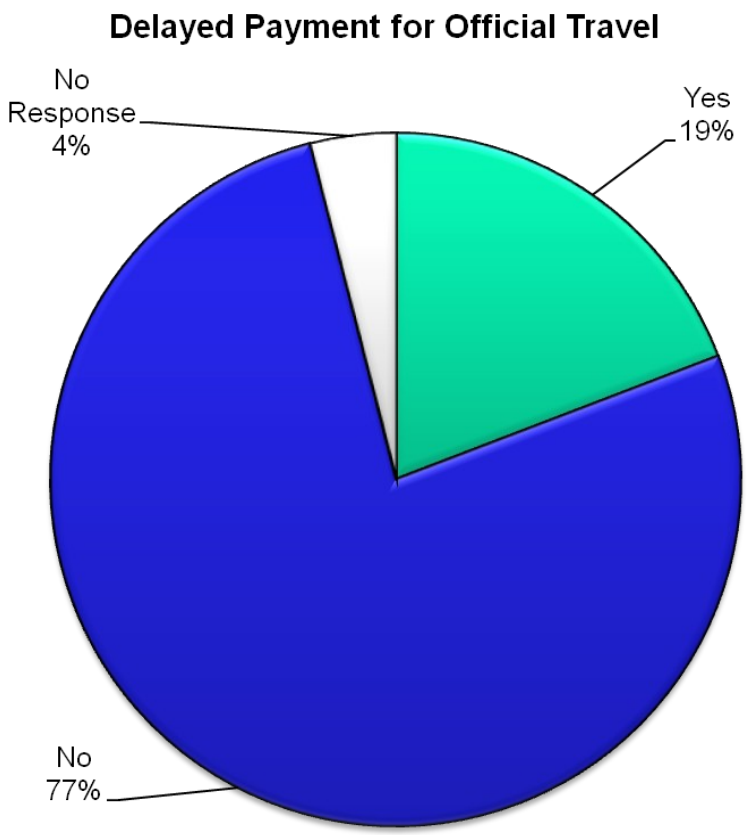
SEC. 2. REQUIRING USE OF THE TRAVEL CHARGE CARD.

Regulations.

(a) IN GENERAL.—Under regulations issued by the Administrator of General Services after consultation with the Secretary of the Treasury, the Administrator shall require that Federal employees use the travel charge card established pursuant to the United States Travel and Transportation Payment and Expense Control System, or any Federal contractor-issued travel charge card, for all payments of expenses of official Government travel.

GTC Delinquency Analysis





CSA Parameters

- All travelers will have a Controlled Spend Account (CSA) and no credit check will be necessary.
- Spending Limits on the CSA will be based on approved travel authorizations and amount will be just enough to perform the mission.
- CSA will be used for all TDY expenses. Travel payment goes to the card and any residual value is available to the cardholder.
- Cardholders will now be able to contact Citi directly to request temporary spending limit increases versus relying on the APC.

CSA Benefits

Primary Benefits:

- Eliminate risk of Delinquencies and Misuse
  - CSA only has value if individual has an approved travel order
  - Removes Delinquency related Disciplinary Action duties
- Substantially Reduce Workload of GTC coordinators
  - Regiment, Battalion, and Company Level APCs duties eliminated
- Reduce number of Finance and Transportation Tasks
  - Travel Advances, Payment Rejects, CBA Reconciliation, etc
  - Ensures more efficient use of funds and resources

Citi CSA Portal

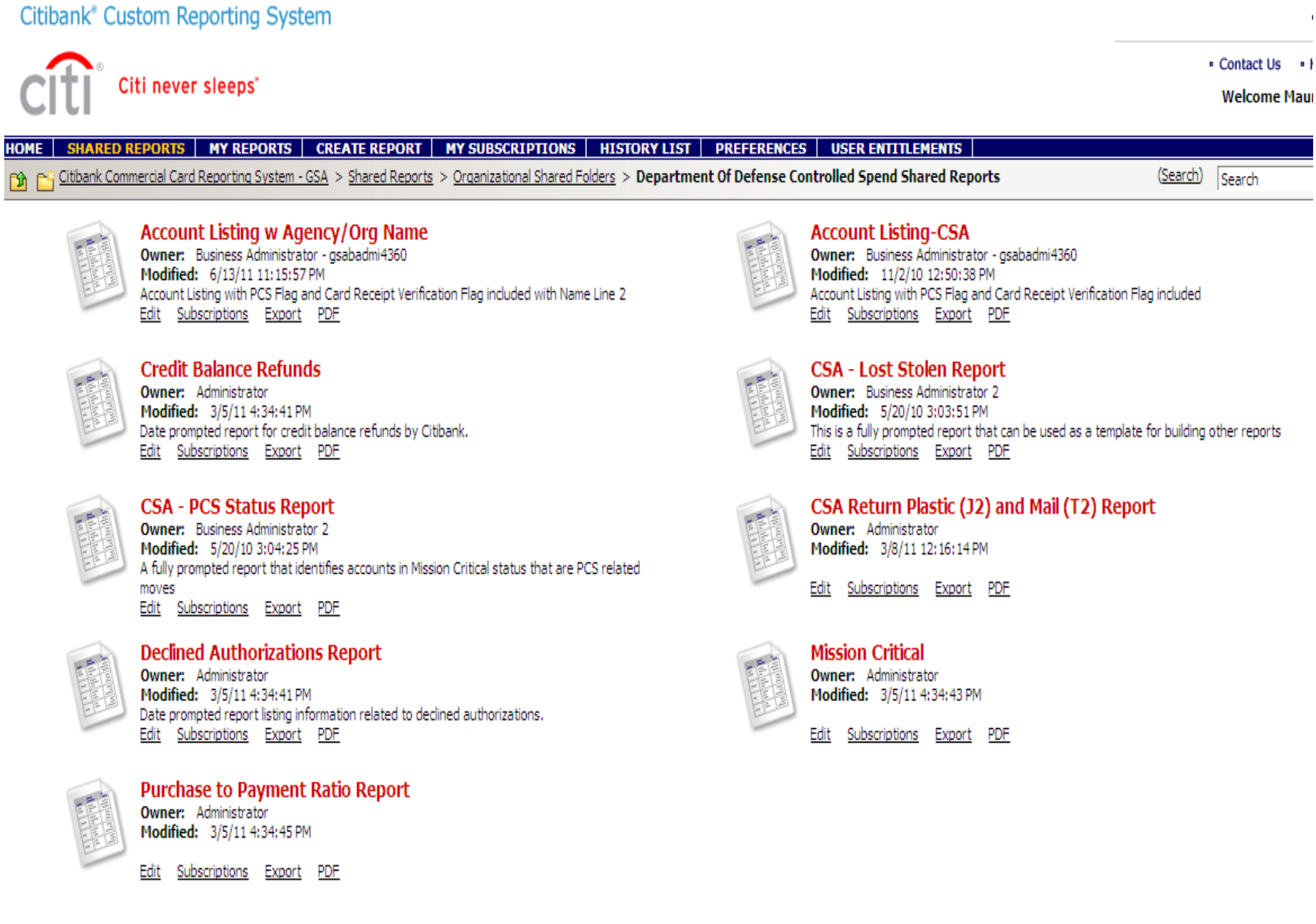
www.airforcetravelcard.transactionservices.citi.com

Training modules and collateral can be found on this site

Program Parameters

	Controlled Spend Account	Government Travel Card
Target Audience/ Credit Checks	All travelers – No credit check required	Not all travelers – creditworthiness
Credit Limit Availability	Based on travel orders **No orders = No value**	Limit always open = Risk of misuse
Delinquency Management	Not Required	Required
Temporary Spend Limit (TSL)	Cardholders can call Citi for TSLs	Only APCs can request a TSL
Merchant Acceptance	Broad acceptance	Restricted acceptance
Cash	$500	$600
Voucher Payments	Total Trip Reimbursement to CSA	Split-disbursed
Credit Balance Refunds	Residual balance: • Refund (ACH or Check) • ATM/Teller withdrawal (2% fee)	Sent to cardholder in form of check

Reduced APC Workload – Fewer Reports Required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